

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(b) *Basis of Presentation*

Government-wide Financial Statements. The government-wide statement of net assets and statement of activities report the overall financial activity of the City and its component units, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Additionally, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fines, fees, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund. This fund accounts for the receipt of property taxes and other monies in order to pay principal and interest on bonded indebtedness.

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2001A General Obligation Bond Fund. This fund accounts for the proceeds of the 2001A general obligation bond issuance, which provided \$20 million to be used for parking facility improvements, sidewalks, street lighting improvements, stormwater improvements, traffic signals, bridge construction, and other public building improvements.

The City reports the following major proprietary funds:

Electric Utility Fund. This fund accounts for the City's electric transmission and distribution operations.

Water and Wastewater Utility Fund. This fund accounts for the City's water and sewerage operations. The City operates the sewerage treatment plant, sewerage pumping stations, and collection systems and the water distribution system.

Additionally, the City reports the following fund types:

Internal Service Funds. These funds account for management information system, vehicle, vehicle replacement, self insurance, and equipment replacement services that are provided to other departments of the City on a cost-reimbursement basis.

Pension Trust Funds. These funds account for the accumulation of retirement and disability benefits for police and firefighters' pension plans.

(c) *Measurement Focus and Basis of Accounting*

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City receives value without directly giving equal value in exchange, include property tax revenue, grants, and other contributions. On an accrual basis, revenues from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2001 levy is recognized as revenue for the year ended April 30, 2003. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, except for property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

(d) Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(e) Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; nonnegotiable certificates of deposits; money market accounts; and pooled investment funds. The pension trust funds are also authorized to hold deposits in any bank insured by the FDIC and to invest in common and preferred stocks, convertible debt securities, mutual funds, insured separate accounts, and direct obligations of the U.S. Government including GNMA securities.

The City's investment policy also requires collateral for all deposits and investments except for those investments of the state pool or the federal government. The collateral must have a market value of not less than 100% of all deposits and investments.

Investments are reported at fair value. Fair value is determined by closing market prices at year-end as reported by the investment custodian.

The Illinois Funds is an external investment pool administered by the Illinois State Treasurer. The fair value of the City's investment in the fund is the same as the value of the pool shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235.

(f) Unbilled Receivables

Estimated sales for electric and water usage prior to April 30, 2003, which are unbilled at year end, are recognized as current year revenue and are included in unbilled receivables.

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(g) Interfund Transactions

The City has the following types of interfund transactions:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services Provided and Used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

(h) Inventory and Prepaid Items

Inventory, such as spare parts for electric, waterlines and vehicles, is accounted for using the consumption method and is valued at an average weighted cost. Inventory reported in the governmental funds is not available for appropriation and therefore results in a reservation of fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(i) Restricted Assets – Enterprise Funds

Certain cash and investments in the Electric Utility and Water and Wastewater Utility Funds are restricted in accordance with the ordinances authorizing the issuance of the revenue bonds. These assets are reflected as restricted cash and investments and reservation of net assets.

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(j) *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, traffic controls, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, whereas improvements extending the useful lives of the related capital assets are capitalized.

Capital assets of the City and its component unit (Naperville Public Library) are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Vehicles	3-12
Buildings and improvements	20-40
Machinery and equipment	3-10
Public domain infrastructure	25-40
Water and wastewater distribution system	40
Electric distribution system	40

(k) *Compensated Absences*

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Employees hired prior to June 9, 2001, are eligible to be covered under a traditional vacation and sick leave benefit plan. Vacation leave is tied to years of service, with a minimum of two weeks and a maximum of five weeks. Sick leave benefit days vary from twelve days per year for members of the Fraternal Order of Police Union to fifteen days for all other union and nonunion employees, except for sworn firefighters working 24-hour shifts. Firefighters earn seven shift days per year each January 1.

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Employees hired after June 9, 2001, and existing employees who made a one-time election to switch to a paid time off (PTO) program prior to that date, are covered by a combination of PTO and sick leave benefits. PTO days are based upon years of service, with a minimum of fifteen PTO days per year, while the amount of sick leave is fixed at ten days per year. Certain unions elected into the PTO plan, while others made it optional for employees hired after June 9, 2001. All sworn firefighters working shifts are not eligible to participate in the PTO plan. Under both plans, the maximum accrual of vacation or PTO is two years of leave.

Sick leave benefits can accumulate on an unlimited basis for employees in the traditional plan, but are limited to 90 days for those in the PTO plan. Upon retirement, the city cashes out up to 90 days of sick leave for employees as a retirement bonus. For sworn firefighters on shifts, they can cash out up to 42 shift days as a retirement bonus. Library employees may not accumulate sick time beyond one year.

(l) Deposits

The City receives deposits from contractors performing work in the City. These deposits are recorded within the General Fund.

(m) Bond Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(n) Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized in the Governmental Fund types to reserve that portion of the applicable appropriation for the future expenditure of resources under purchase orders, contracts, and other commitments. Encumbrances outstanding at yearend are reported as reservations of fund balances and do not constitute expenditures or liabilities. Outstanding encumbrances at the end of the fiscal year will result in an increase to the budget for the subsequent year. Outstanding encumbrances at April 30, 2003, relate primarily to construction contracts in progress except for the General Fund.

(o) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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(p) *Net Assets*

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(q) *Property Taxes*

Property taxes are levied each year on all taxable real property located in the City. The City must file its tax levy ordinance by the last Tuesday of December of each year. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Property taxes are collected by the DuPage and Will County Collectors/Treasurers who remit to the City its share of the collection. Taxes levied for calendar year 2001 were due, payable, and collected in two installments in June and September 2002.

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. The City considers property tax revenue to be available if it is collected during the current year or within 60 days after year end. Property taxes levied for calendar year 2001 are intended to finance the fiscal year 2003 expenditures. Accordingly, the City recognized revenue during the year ended April 30, 2003 for collections from the calendar year 2001 levy if it was received by June 30, 2003. Property taxes levied for calendar year 2002 which will be collected in fiscal year 2004 are recorded as receivables and deferred revenue.

(r) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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(s) *New Accounting Pronouncements*

Effective May 1, 2002, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. The Government-wide financial statements include a statement of net assets and statement of activities. These financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities, business-type activities, and activities of its discretely presented component units. The City's statement of net assets includes both non-current assets and non-current liabilities of the City, which were previously reported in the General Fixed Assets Account Group and the General Long-term Obligations Account Group, respectively. In addition to the capital assets previously reported in the General Fixed Assets Account Group, the City retroactively capitalized all infrastructure assets.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus for governmental funds. Accordingly, the accounting and financial reporting for the City's governmental funds is similar to that previously presented in the City's financial statements.

Statement No. 34 also requires, as required supplementary information, a Management's Discussion and Analysis, which includes analytical overview of the City's financial activities. In addition, a budgetary comparison schedule is presented that compares the adopted and modified General Fund budget with actual results.

Effective May 1, 2002, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain financial statement note disclosures.

Effective May 1, 2002, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This Interpretation clarifies that long-term indebtedness, including debt issues, compensated absences, and claims and judgments, should be recorded as a fund liability in governmental funds when they mature (i.e. are due); and unmatured liabilities should only be reported as general long-term liabilities in the government-wide statement of net assets.

Prior to implementation of GASB Interpretation No. 6, the City recorded a liability in governmental funds for compensated absences, which were expected to be paid within the next year. As a result of adopting this statement, the accrued wages and benefits were reduced and the fund balance was increased by \$3,368,459, \$69,583, \$3,587, and \$200,179 in the General, Naper Settlement, SSA #20, and Library Operating funds, respectively, as of May 1, 2002.

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Prior to the implementation of GASB Statement No. 34 and GASB Interpretation No. 6, the City recorded the pension contribution payable of \$2,195,789 in the long-term debt group and did not record the liability in the General Fund. As a result of adopting these statements, the pension contribution payable was increased and the fund balance decreased by \$2,195,789 in the general funds as of May 1, 2002.

Prior to the implementation of GASB Statement No. 34, the City deferred revenue recognition on impact fees until the related expenditures were incurred. During the year ended April 30, 2003, the City changed its accounting for impact fees to recognize revenue when received. As a result of this change in accounting, the deferred revenue was decreased and the fund balance increased by \$12,638,534 in the Fair Share Assessment Fund as of May 1, 2002.

A reconciliation of the fund balances of these funds as of May 1, 2002 is as follows:

	General Fund	Naper Settlement Fund	Nonmajor Governmental Funds		Component Unit
			SSA #20 Fund	Fair Share Assessment Fund	Library Operating Fund
Fund balance at April 30, 2002, as previously reported	\$ 30,222,319	96,508	288,133	1,334,523	354,875
Plus - reduction of compensated absences liability	3,368,459	69,583	3,586	—	200,179
Less - increase in net pension contribution payable	(2,915,789)	—	—	—	—
Plus - reduction of deferred revenue- fair share assessment charge	—	—	—	12,638,534	—
Fund balance at May 1, 2002, as restated	<u>\$ 30,674,989</u>	<u>166,091</u>	<u>291,719</u>	<u>13,973,057</u>	<u>555,054</u>

(2) Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed in the basic financial statements as "cash and investments."

Deposits

At April 30, 2003 the carrying amount of the City's deposits for governmental and business-type activities was \$1,583,768, and the bank balance was \$1,406,978. The entire bank balance was covered through federal depository insurance or by collateral held by the City or its agent, in the City's name.

At April 30, 2003 the carrying amount of deposits of fiduciary activities was \$1,407,868, and the bank balance was \$2,019,642. The entire bank balance was covered through federal depository insurance or by collateral held by the City or its agent, in the City's name.

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At April 30, 2003 the carrying amount of deposits of the City's component unit, the Naperville Public Libraries, was \$1,019,695, and the bank balance was \$1,019,695. The entire bank balance was covered through federal depository insurance or by collateral held by the City or its agent, in the City's name.

Investments

The following table presents the investments of the City and Naperville Public Libraries as of April 30, 2003. Categorized investments are insured or registered for which the securities are held by the City or its agent in the City's name. Uncategorized investments are not subject to categorization because they are not securities. The relationship between the City and the investment agent is a direct contractual relationship.

	<u>Carrying amount</u>
City:	
Governmental and Business-type activities:	
Categorized investments:	
U.S. Treasury obligations	\$ 74,183,173
U.S. Government agencies	76,261,132
Uncategorized investments:	
Money market	8,103,705
Illinois Fund	<u>17,444,581</u>
Subtotal	<u>175,992,591</u>
Fiduciary activities:	
Categorized investments:	
U.S. Treasury obligations	34,412,452
U.S. Government agencies	17,627,139
Uncategorized investments:	
Mutual funds	29,100,257
Annuity contracts	721,291
Money market	<u>1,528,603</u>
Subtotal	<u>83,389,742</u>
Naperville Public Libraries:	
Uncategorized investments:	
Money market	<u>1,019,695</u>
Total investments	<u>\$ 260,402,028</u>

Certificates of deposit, which have been presented as bank deposits in this note, are classified as investments for financial reporting purposes.

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In accordance with the City's investment policy, the City invests in mortgage-backed securities. These securities are reported at fair value and are based on the cash flows from interest and principal payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flow from interest payments is reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated. The City invests in mortgage-backed securities to diversify the portfolio and to increase the return while minimizing the extent of risk.

(3) Receivables

The outstanding loans that are not expected to be collected within one year of April 30, 2003 are as follows:

	<u>Term</u>	<u>Due</u>	<u>Amount</u>
Millennium Carillon Line of Credit	10 years	12/31/2011	\$ 1,576,000
DuPage Mayor and Manager Association	20 years	02/01/2021	122,917
Notes Receivable from Employee	Variable	N/A	50,000
Installmental Electric LAC's	5-10 years	Various	2,156,986

The City fully accrued the allowance for the millennium carillon loan in the amount of \$1,606,241, which includes the accrued interest of \$30,241 in the FY 2003, based on the management evaluation on the collectibility of this loan.

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(4) Capital Assets

A summary of changes in capital assets of the City and Library for the year ended April 30, 2003 is as follows:

	Balance May 1, 2002	Additions	Deductions	Balance April 30, 2003
Primary government:				
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 3,899,440	—	—	3,899,440
Land-Infrastructure	108,085,570	4,622,235	—	112,707,805
Construction in progress	37,138,413	19,952,824	8,596,503	48,494,734
Total capital assets not being depreciated	<u>149,123,423</u>	<u>24,575,059</u>	<u>8,596,503</u>	<u>165,101,979</u>
Capital assets being depreciated:				
Buildings	55,856,955	550,971	—	56,407,926
Equipment	29,315,629	1,478,121	2,322,936	28,470,814
Infrastructure	306,489,061	10,672,829	—	317,161,890
Total capital assets being depreciated	<u>391,661,645</u>	<u>12,701,921</u>	<u>2,322,936</u>	<u>402,040,630</u>
Less accumulated depreciation:				
Buildings	15,654,289	1,412,429	—	17,066,718
Equipment	21,481,887	2,232,039	2,315,847	21,398,079
Infrastructure	91,932,671	9,867,591	—	101,800,262
Total accumulated depreciation	<u>129,068,847</u>	<u>13,512,059</u>	<u>2,315,847</u>	<u>140,265,059</u>
Total capital assets, being depreciated net	<u>262,592,798</u>	<u>(810,138)</u>	<u>7,089</u>	<u>261,775,571</u>
Total capital assets, net	<u>\$ 411,716,221</u>	<u>23,764,921</u>	<u>8,603,592</u>	<u>426,877,550</u>

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Depreciation expense for governmental activities for the year ended April 30, 2003 was charged to functions as follows:

General government	\$ 512,573
Physical environment	103,662
Public safety	714,057
Culture and recreation	61,925
Transportation	10,162,320
General services	1,957,522
	<u>\$ 13,512,059</u>

	Balance May 1, 2002	Additions	Deductions	Balance April 30, 2003
Primary government:				
Business-type activities:				
Electric:				
Capital assets not being depreciated:				
Land and land improvements	\$ 3,047,950	—	—	3,047,950
Construction in progress	37,175,946	26,093,039	24,993,057	38,275,928
Total capital assets not being depreciated	40,223,896	26,093,039	24,993,057	41,323,878
Capital assets being depreciated:				
Buildings and building improvements	6,872,764	—	—	6,872,764
Equipment	3,348,901	49,587	—	3,398,488
Infrastructure	191,109,644	35,434,571	11,944,615	214,599,600
Total capital assets being depreciated	201,331,309	35,484,158	11,944,615	224,870,852
Less accumulated depreciation:				
Buildings and building improvements	2,177,665	176,324	—	2,353,989
Equipment	2,630,308	249,434	—	2,879,742
Infrastructure	54,285,481	5,738,244	518,416	59,505,309
Total accumulated depreciation	59,093,454	6,164,002	518,416	64,739,040
Total capital assets, being depreciated, net	142,237,855	29,320,156	11,426,199	160,131,812
Total capital assets, net	\$ 182,461,751	55,413,195	36,419,256	201,455,690

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	Balance May 1, 2002	Additions	Deductions	Balance April 30, 2003
Business-type activities:				
Water/Wastewater:				
Capital assets not being depreciated:				
Land and land improvements	\$ 2,242,917	—	—	2,242,917
Construction in progress	9,553,689	6,257,131	8,831,423	6,979,397
Total capital assets not being depreciated	<u>11,796,606</u>	<u>6,257,131</u>	<u>8,831,423</u>	<u>9,222,314</u>
Capital assets being depreciated:				
Buildings and building improvements	—	—	—	—
Equipment	1,761,717	—	—	1,761,717
Infrastructure	254,631,429	26,881,632	18,217,457	263,295,604
Total capital assets being depreciated	<u>256,393,146</u>	<u>26,881,632</u>	<u>18,217,457</u>	<u>265,057,321</u>
Less accumulated depreciation:				
Buildings and building improvements	—	—	—	—
Equipment	1,138,445	228,751	—	1,367,196
Infrastructure	88,035,391	7,013,115	105,069	94,943,437
Total accumulated depreciation	<u>89,173,836</u>	<u>7,241,866</u>	<u>105,069</u>	<u>96,310,633</u>
Total capital assets, being depreciated, net	<u>167,219,310</u>	<u>19,639,766</u>	<u>18,112,388</u>	<u>168,746,688</u>
Total capital assets, net	<u>\$ 179,015,916</u>	<u>25,896,897</u>	<u>26,943,811</u>	<u>177,969,002</u>

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	Balance May 1, 2002	Additions	Deductions	Balance April 30, 2003
Business-type activities:				
Other:				
Capital assets not being depreciated:				
Land and land improvements	\$ 2,800,681	—	—	2,800,681
Construction in progress	37,217	—	—	37,217
Total capital assets not being depreciated	2,837,898	—	—	2,837,898
Capital assets being depreciated:				
Buildings and building improvements	4,170,240	82,442	—	4,252,682
Less accumulated depreciation:				
Buildings and building improvements	2,549,904	207,285	—	2,757,189
Total capital assets, being depreciated, net	1,620,336	(124,843)	—	1,495,493
Total capital assets, net	\$ 4,458,234	(124,843)	—	4,333,391

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

	<u>Balance May 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance April 30, 2003</u>
Component Unit – Naperville Public Libraries:				
Capital assets not being depreciated:				
Land and land improvements	\$ 300,000	—	—	300,000
Capital assets being depreciated:				
Buildings and building improvements	8,384,233	—	—	8,384,233
Equipment	2,023,557	475,066	16,487	2,482,136
Total capital assets being depreciated	10,407,790	475,066	16,487	10,866,369
Less accumulated depreciation:				
Buildings and building improvements	2,602,238	184,782	—	2,787,020
Equipment	1,150,286	209,858	—	1,360,144
Total accumulated depreciation	3,752,524	394,640	—	4,147,164
Total capital assets, being depreciated, net	6,655,266	80,426	16,487	6,719,205
Total capital assets, net	\$ 6,955,266	80,426	16,487	7,019,205

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(5) Interfund Balances and Activity

(a) *Balances Due to/from Other Funds*

Balances due to/from other funds at April 30, 2003 were as follows:

Description	Amount
Due to General Fund from other governmental funds to cover temporarily cash account overdrawn at year end	\$ 198,498

(b) *Transfers to/from Other Funds*

Interfund transfers for the year ended April 30, 2003 were as follows:

Description/purpose	Amount
Transfer from General Fund to Capital Project Fund to reduce future borrowing	\$ 4,000,000
Transfer from General Fund to Riverwalk Fund for CIP projects and professional services	200,000
Transfer from General Fund to SSA#20 for supporting downtown maintenance expenses	599,179
Transfer from General Fund to Electric and Water/Wastewater Funds for safety instructor's expense	37,806
Transfer from General Fund to Naper Settlement Fund	65,000
Transfer from Debt Service Fund to Capital Project Fund to reduce future borrowing	2,342,860
Transfer from Fair Share Fund to 1998 G.O. Bond Fund to cover impact fee related projects	29,700
Transfer from Fair Share Fund to 2001 G.O. Bond Fund to cover impact fee related projects	1,255,667
Transfer from Capital Projects Fund to Fair Share Fund	399,141
Transfer from SSA#11 to Debt Service Fund to cover SSA#11 debt service payment	22,585
Transfer from Self Insurance Fund to Capital Projects Fund to reduce future borrowing	1,154,956
Transfer from Self Insurance Fund to General Fund to cover administrative support	51,350
	<u>\$ 10,158,244</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(6) Long-term Obligations

The following is a summary of changes in long-term debt of the City for the year ended April 30, 2003:

	Balance May 1, 2002	Additions	Retirements	Balance April 30, 2003	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 77,559,108	8,950,000	(7,633,766)	78,875,342	7,509,574
Special service area bonds	210,000	—	(40,000)	170,000	40,000
Total bonds payable	77,769,108	8,950,000	(7,673,766)	79,045,342	7,549,574
Capital leases payable	37,413	277,119	(61,695)	252,837	58,996
Compensated absences	11,234,998	931,175	—	12,166,173	3,777,216
Claims and judgment	1,511,781	6,913,452	(6,181,993)	2,243,240	690,829
Total	90,553,300	17,071,746	(13,917,454)	93,707,592	12,076,615
Business-type activities:					
Electric:					
Bonds payable:					
General obligation bonds	5,885,000	—	(20,000)	5,865,000	60,000
Revenue bonds	11,360,000	—	(2,300,000)	9,060,000	680,000
Premium/(discount)	(72,182)	—	16,895	(55,287)	—
	17,172,818	—	(2,303,105)	14,869,713	740,000
Compensated absences	1,637,109	201,254	—	1,838,363	528,247
	18,809,927	201,254	(2,303,105)	16,708,076	1,268,247
Water/Wastewater:					
Bonds payable:					
Revenue bonds	12,365,000	—	(2,885,000)	9,480,000	—
Premium/(discount)	411,688	—	(32,992)	378,696	—
IEPA loan	4,191,536	—	(374,925)	3,816,611	192,744
	16,968,224	—	(3,292,917)	13,675,307	192,744
Compensated absences	1,204,630	129,229	—	1,333,859	335,510
	18,172,854	129,229	(3,292,917)	15,009,166	528,254
Other business-type activity:					
General obligation bonds	795,892	—	(166,234)	629,658	165,426
Total	\$ 37,778,673	330,483	(5,762,256)	32,346,900	1,961,927

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

Long-term debt at April 30, 2003 consists of the following:

(a) General Obligation Bonds

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
March 1993, 3.0%-5.0%, due serially through December 1, 2003	\$ 1,437,976	112,024	1,550,000
May 1995, 5.0%-5.75%, due serially through December 1, 2007	2,000,000	—	2,000,000
February 1996, 3.4%-6.0%, due serially through December 1, 2015	17,435,980	239,020	17,675,000
April 1998, 4.0%-4.85%, due serially through December 1, 2012	9,025,000	—	9,025,000
January 1999, 4.0%-4.625%, due serially through December 1, 2015	8,200,000	—	8,200,000
April 2001, 4.0%-4.25%, due serially through December 1, 2008	6,960,000	—	6,960,000
October 2001, 3.25%-5.0%, due serially Through December 1, 2021	24,866,386	6,143,614	31,010,000
February 2003, 2.625%-4.625%, due serially through January 1, 2023	8,950,000	—	8,950,000
	<u>\$ 78,875,342</u>	<u>6,494,658</u>	<u>85,370,000</u>

The annual requirements to amortize all short-and long-term general obligation bonds outstanding at April 30, 2003 are as follows:

<u>Year ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 7,735,000	3,742,810	11,477,810
2005	8,535,000	3,477,017	12,012,017
2006	8,230,000	3,157,422	11,387,422
2007	7,855,000	2,812,892	10,667,892
2008	5,240,000	2,483,514	7,723,514
2009-2013	25,605,000	9,004,835	34,609,835
2014-2018	14,555,000	3,604,488	18,159,488
2019-2023	7,615,000	1,008,187	8,623,187
	<u>\$ 85,370,000</u>	<u>29,291,165</u>	<u>114,661,165</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

Enterprise Fund Commitments

A commitment, not covered by specific ordinances, has been made by the Burlington Commuter Parking Fund for approximately \$3,500,000 of the \$9,500,000, 1988 general obligation bond issue, a portion of which has been subsequently refunded by the 1992B, 1996A and 2001A general obligation bond issues. In the fiscal year 2002, \$5,885,000 of \$33,680,000, 2001A general obligation bond series were issued for refunding of the electric revenue bonds, series 1992 and 1996. Accordingly, the proportionate share of the general obligation bond liabilities have been recorded in the respective enterprise funds. The balance at April 30, 2003, is \$6,494,658.

(b) Special Service Area Bonds

Special Service Area #19 – Special Service Area No. 19 was created by the City Council upon the adoption of Ordinance 97-34 on March 18, 1997. The special service area was created for construction of public improvements related to the Main Place retail development at a cost of \$325,000. The bonds issued are payable from taxes levied on property in the special service area in addition to all other City taxes levied.

Debt service on the above debt is payable during future fiscal years ending April 30, as follows:

Special Service Area #19			
	Principal	Interest	Total
Year:			
2004	\$ 40,000	12,750	52,750
2005	40,000	9,750	49,750
2006	45,000	6,750	51,750
2007	45,000	3,375	48,375
	<u>\$ 170,000</u>	<u>32,625</u>	<u>202,625</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(c) Revenue Bonds

Revenue bond ordinances of the Electric Utility Fund and the Water and Wastewater Utility Fund require that certain reserve accounts be maintained at designated minimum dollar amounts or that specific monthly transfers be made to such accounts. The ordinances also require that the proceeds from revenue bond issuances be reserved until such funds are utilized. At April 30, 2003, the amounts restricted for such accounts are as follows:

Account	Amount
Electric Utility Fund:	
Operation and maintenance	\$ 6,781,613
Depreciation	2,000,000
Bond and interest reserve	2,214,477
	<u>10,996,090</u>
Water and Wastewater Utility Fund:	
Operation and maintenance	2,143,656
Depreciation	2,088,000
Bond and interest reserve	1,471,725
Bond and interest	145,119
	<u>5,848,500</u>
	<u>\$ 16,844,590</u>

The reserve account balances are represented in the enterprise funds as by restricted assets – cash and investments.

Activity in the reserve accounts during the year ended April 30, 2003 was as follows:

	Electric Utility Fund	Water and Wastewater Utility Fund	Total
Restricted balance as of May 1, 2002	\$ 11,220,826	6,060,057	17,280,883
Transfers required by ordinance	1,891,152	1,599,761	3,490,913
Revenue bond principal	(1,613,750)	(1,323,333)	(2,937,083)
Revenue bond interest	(502,139)	(487,985)	(990,124)
Restricted balances as of April 30, 2003	<u>\$ 10,996,089</u>	<u>5,848,500</u>	<u>16,844,589</u>

At April 30, 2003, the above amounts were sufficient to meet the minimum balance or reserve account transfer requirements of the revenue bond ordinances.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

Details of the revenue bond indebtedness of the City's Enterprise Funds at April 30, 2003 are as follows:

Fund	Amount outstanding
Electric Utility Fund:	
Series of 1996, 4.25%-5.50%, due serially through May 1, 2009	\$ 3,960,000
Series of 1998, 3.15%-4.6%, due serially through May 1, 2013	<u>5,100,000</u>
	<u>\$ 9,060,000</u>
Water and Wastewater Utility Fund:	
Series of 2002, 3.5%-5.5%, due serially through January 1, 2013	\$ <u>9,480,000</u>
	<u>\$ 9,480,000</u>

Debt service on the above debt is payable during future fiscal years ending April 30, as follows:

	Principal	
	Electric	Water and Wastewater
Year:		Total
2004	\$ 680,000	680,000
2005	715,000	715,000
2006	1,840,000	2,860,000
2007	1,930,000	2,985,000
2008	1,295,000	2,395,000
2009-2013	2,600,000	8,905,000
	<u>—</u>	<u>—</u>
	<u>\$ 9,060,000</u>	<u>18,540,000</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

Year:	Interest		
	Electric	Water and Wastewater	Total
2004	\$ 436,023	435,356	871,379
2005	404,615	435,356	839,971
2006	370,840	435,356	806,196
2007	284,477	399,656	684,133
2008	193,377	360,094	553,471
2009-2013	267,835	1,029,082	1,296,917
	<u>\$ 1,957,167</u>	<u>3,094,900</u>	<u>5,052,067</u>

(d) *Illinois Environmental Protection Agency (IEPA) Loan*

The City received approximately \$7 million from the IEPA in the form of a 3.745% loan. The funds were used for phase two of the Springbrook Water Reclamation Center Expansion Project, which increased the capacity of the Center from 15 million gallons per day (M.G.D.) to 18.75 M.G.D. The loan is being repaid to the IEPA over a 20-year period. The City has recorded the debt outstanding at April 30, 2003 in the Water and Wastewater Utility Fund because it expects to repay the debt through wastewater revenues, even though the City has the authority to levy property taxes to pay this debt.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

Debt service on the above debt is payable during future fiscal years ending April 30, as follows:

Year:	Water and Wastewater		
	Principal	Interest	Total
2004	\$ 389,097	139,323	528,420
2005	403,805	124,615	528,420
2006	419,070	109,351	528,421
2007	434,911	93,510	528,421
2008	451,351	77,070	528,421
2009-2012	1,718,377	131,093	1,849,470
	<u>\$ 3,816,611</u>	<u>674,962</u>	<u>4,491,573</u>

(e) *Defeased Debt*

The amount of outstanding defeased debt as of April 30, 2003 was \$17,135,000. The defeased portions of the 1995 general obligation bonds and the 1996 electric revenue bond are not reflected in the City's financial statements.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(f) Industrial Revenue Bonds

The City has issued industrial revenue development bonds for the benefit of certain organizations. These bonds are neither a debt of the City nor a pledge of its full faith and credit, nor do they give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. The bonds are special and limited obligations of the City and are payable solely from the payments in accordance with the underlying indentures. As such, no liability for the bonds is recorded in the City's basic financial statements. The outstanding balances for all industrial revenue bonds as of April 30, 2003 were as follows:

Buikema's Ace Hardware	\$ 149,941
Illinois Independent Living Center	365,056
Heritage YMCA Group, Inc.	8,900,000
Independence Village Assoc., Ltd.	3,195,000
St. Patrick's Residence	5,065,000
Illinois Hospital & Health Systems	3,445,000
General Motors Corporation	6,580,000
Dupage Children's Museum	13,300,000
Total	<u>\$ 40,999,997</u>

(7) Leases

(a) Operating Leases

The City leases office equipment under noncancelable operating leases. The total cost for such leases was \$459 for the year ended April 30, 2003. The future minimum lease payments for these leases are as follows:

	Governmental Activities
Year ending April 30:	
2003	\$ 459
2004	459
Total	<u>\$ 918</u>

(b) Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of several photocopy machines. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments in the appropriate fixed asset accounts in the amount of \$252,837 as of April 30, 2003.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2003 were as follows:

		<u>Governmental Activities</u>
Year ending:		
2004	\$	68,612
2005		62,600
2006		62,600
2007		62,600
2008		<u>20,224</u>
Total minimum lease payments		276,636
Less amount representing interest		<u>(23,799)</u>
Present value of minimum payments	\$	<u><u>252,837</u></u>

(8) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk financing activities in the Self-insurance Fund (internal service fund). The Self-insurance Fund pays all general liability, unemployment and workers' compensation, and auto and collision claims for which the City is held liable.

The City is self-insured for health and dental claims which are also being accounted for in the Self-insurance Fund. The City has \$250,000 specific stop loss coverage. The City utilizes a third-party administrator to process the claims. The City reimburses the administrator for the claims plus a processing fee.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

The Self-insurance Fund is supported by payments from the General Fund, Naper Settlement Fund, Electric, Water and Wastewater Utility Funds, Burlington Commuter Parking Fund, Information Systems Fund, Vehicle Services Fund, and the Naperville Public Libraries (component unit) based upon an estimate of premiums which were formerly paid to outside insurers. In addition, the City has recognized a liability for claims which were incurred but not reported at year end. At April 30, 2003 this liability totaled approximately \$690,000. The claims liability reported in the Self-insurance Fund of \$2,243,240 at April 30, 2003 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. There were no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded the insurance coverage in the last year. Changes in the Self-insurance Fund's claims liability amount in fiscal year 2003 and 2002 were:

	2003	2002
Claims liability, beginning of year	\$ 1,511,781	1,871,350
Incurred claims	6,913,452	5,599,302
Changes in estimates	(229,605)	(5,194)
Claim payments	(5,952,388)	(5,953,677)
Claims liability, end of year	\$ 2,243,240	1,511,781

(9) Commitments and Contingencies

DuPage Water Commission

The City is a charter customer, along with 23 other municipalities, of the DuPage Water Commission (Commission). The Commission is empowered to finance, construct, acquire, and operate a water supply system to serve municipalities to obtain Lake Michigan water from the City of Chicago and distribute it to customers through a comprehensive distribution system. The City began receiving Lake Michigan water in March 1992. Pursuant to its agreement with the Commission, in January 1989 the City began making payments for its portion of certain Commission costs in an amount set forth by the Commission. The City has also increased its water rates to cover such costs. The related costs and revenues have been recorded as operating expenses and revenues of the Water and Wastewater Utility (Enterprise) Fund. The Commission has capitalized all costs including financing components associated with the development of the water facility.

The following is a summary of the most recent unaudited financial information available for the Commission for the year ended April 30, 2003

Assets	\$ 611,119,666
Working capital	190,655,599
General obligation and revenue bonds payable	210,902,697
Net assets	368,812,373

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

Enterprise Fund Commitments

Purchase commitments as of April 30, 2003 amounted to \$9,537,108 and \$3,135,560 in the Electric Utility Fund and Water and Wastewater Utility Fund, respectively. These commitments primarily relate to capital projects.

Governmental Fund Commitments

Purchase commitments as of April 30, 2003 amounted to \$3,307,008 in the 2003A G.O. Bond Fund for construction of the 95th Street Library.

(10) Supplemental Budgetary Appropriations

During the fiscal year, the City had supplemental budgetary appropriations totaling \$4,008,511, which increased or decreased the total budgeted appropriations of the following governmental funds:

General Fund	\$	(841,830)
Debt Service Fund		542,860
Capital Project Fund		3,718,920
Other nonmajor governmental funds		<u>588,561</u>
Total supplementary appropriations	\$	<u><u>4,008,511</u></u>

(11) Employee Retirement Systems and Pension Plans

Illinois Municipal Retirement Fund

(a) Plan Description

The City contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement, disability, and death benefits to plan members and beneficiaries. IMRF is an agent-multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees, except those covered by the police and fire pension plans, in positions that meet or exceed the prescribed minimum hours standard must be enrolled in IMRF as participating members. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained from the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60521.

(b) Funding Policy

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by State statute. The City is required to contribute at an actuarially determined rate. The employer's rates for calendar years 2002 and 2003 were 5.29% and 6.20% of payroll, respectively. The City's contribution requirements are established and amended by the IMRF Board of Trustees.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(c) *Annual Pension Cost*

For fiscal year 2003, the City's annual pension cost of \$2,127,939 was equal to the City's required and actual contributions. The required contributions were determined as part of the December 31, 2000 actuarial valuation using the entry age actuarial cost method. IMRF conducts annual actuarial valuations as of December 31 of each year. The valuation determines the actuarial liabilities for the year of the valuation. Employer contribution rates are based on the valuation two years prior. For example, the December 31, 2000 valuation determined the liabilities for calendar year 2001 and the employer rate for calendar year 2003. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year, depending on age and service attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2003 was 30 years.

The annual pension costs for fiscal years 2002 and 2001 were \$2,108,068 and \$2,441,914 respectively. For the fiscal years ended April 30, 2003, 2002 and 2001, the annual pension costs were equal to the required and actual contributions, and there was no net pension obligation for these years.

Police Pension and Firefighters' Pension Plans

(a) *Plan Descriptions*

The City contributes to two single-employer defined benefit pension plans: the Police Pension Plan and the Firefighters' Pension Plan (Plans). Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Sworn Police and Fire personnel are covered by the Plans. Although these are single-employer pension plans, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the Plans as Pension Trust Funds. The City does not, however, separately issue financial reports for the plans. Membership of each plan consisted of the following at April 30, 2003:

	Police Pension	Fire Pension
Retirees and beneficiaries currently receiving benefits	29	23
Terminated employees entitled to but not yet receiving benefits	2	—
Active plan members	178	187
Total	209	210

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(b) *Summary of Significant Accounting Policies and Plan Asset Matters*

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

Significant Investments

There are no significant investments (other than U.S Government guaranteed obligations) in any one organization that represent 5% or more of net assets available for benefits except for the following investments:

Police Pension Fund:

Bane One Large Cap Growth Fund	\$	2,815,456
Bane One T-Strip		2,313,520
Prudential Equity Fund Class A		2,232,889
Washington Mutual Investors Fund		3,386,167
Capital World Growth and Income Fund		2,815,456

Firefighters' Pension Fund:

EuroPacific Growth Fund	\$	2,170,635
Fundamental Investors		2,914,622
Washington Mutual Investors Fund		3,162,094

(c) *Funding Policy*

The City funds its contribution to the Police and Firefighters' pension plans through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal cost, plus the amount to amortize the unfunded accrued liability.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

The City's annual pension cost and net pension asset for the police and firefighters' pension plans for fiscal year 2003 were as follows:

	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Annual required contribution	\$ 1,534,732	1,784,252
Interest on net pension asset	(58,319)	(110,370)
Adjustment to annual required contribution	31,275	59,188
Annual pension cost	1,507,688	1,733,070
Contributions made	1,595,013	1,796,671
Increase in net pension asset	87,325	63,601
Net pension asset at May 1, 2002	728,987	1,379,629
Net pension asset at April 30, 2003	<u>\$ 816,312</u>	<u>1,443,230</u>

Other related information is as follows:

	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Contribution rates:		
City	14.14%	15.30%
Plan member	9.91%	8.455%
Actuarial valuation date	4/30/03	4/30/03
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization period	30	30
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases*	6.0%	6.0%
*Includes inflation at	3.0%	3.0%
Cost-of-living adjustments	3.0% per year	3.0% per year

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2003

(d) Three-year Trend Information

	<u>Year ending</u>		<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension asset</u>
Police Pension Plan	4/30/03	\$	1,507,688	106%	816,312
	4/30/02		1,293,522	99%	728,987
	4/30/01		1,163,000	104%	744,110
Firefighters' Pension Plan	4/30/03	\$	1,733,070	104%	1,443,230
	4/30/02		1,594,218	104%	1,379,629
	4/30/01		1,334,708	106%	1,320,953

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NAPERVILLE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year ended April 30, 2003

	Budgeted amount		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Property taxes	\$ 15,435,732	15,457,829	15,553,118	95,289
Utility tax	13,567,250	13,567,250	14,021,004	453,754
Sales tax	22,349,617	22,349,617	22,429,669	80,052
State income tax	9,524,444	9,524,444	8,349,349	(1,175,095)
Other taxes	6,095,203	6,095,203	6,329,206	234,003
Licenses and permits	2,030,989	2,030,989	2,357,958	326,969
Fines	2,453,000	2,453,000	2,818,952	365,952
Net investment income	1,551,265	1,551,265	3,133,558	1,582,293
Inter and intragovernmental revenue	744,700	843,127	796,771	(46,356)
Charges for services	2,434,624	2,691,154	2,984,388	293,234
Other internal service revenues	7,262,927	7,262,927	7,447,408	184,481
Franchise and development fees	1,017,800	1,017,800	1,199,514	181,714
Miscellaneous	99,300	99,300	265,441	166,141
Total revenues	84,566,851	84,943,905	87,686,336	2,742,431
Expenditures:				
Current:				
General government	10,835,422	10,444,318	9,227,372	1,216,946
Physical environment	7,525,327	7,089,627	6,309,169	780,458
Public safety	45,307,615	45,485,417	44,757,173	728,244
Transportation	21,224,031	20,481,090	17,730,951	2,750,139
General services	1,205,263	1,755,376	3,576,563	(1,821,187)
Debt service:				
Principal	—	—	61,695	(61,695)
Interest	—	—	8,129	(8,129)
Total expenditures	86,097,658	85,255,828	81,671,052	3,584,776
Excess (deficiency) of revenues over expenditures	(1,530,807)	(311,923)	6,015,284	6,327,207
Other financing sources (uses):				
Transfers in	51,350	51,350	51,350	0
Transfers out	(4,901,985)	(4,906,634)	(4,901,985)	4,649
Capital lease proceeds	—	—	277,119	277,119
Total other financing sources (uses)	(4,850,635)	(4,855,284)	(4,573,516)	281,768
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (6,381,442)	(5,167,207)	1,441,768	6,608,975
Fund balance, May 1, 2002, as restated (Note 1(s))			30,674,989	
Fund balance, April 30, 2003			\$ 32,116,757	

See accompanying independent auditor's report

CITY OF NAPERVILLE, ILLINOIS

**Notes to Required Supplementary Information -
Budgetary Comparison Schedule
April 30, 2003**

Budgets are adopted on a basis consistent with generally accepted accounting principals. Annual appropriated budgets are adopted at the department level for the Governmental, Proprietary and the Fiduciary Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual appropriations lapse at fiscal end.

Excess expenditures over appropriations

For the year ended April 30, 2003, expenditures exceeded appropriations in the general services (legal level of budgetary control) of the general fund by \$1,821,187, due to the establishment of a \$1.6 million allowance for uncollectible account for the Millennium Carillon line of credit. This over-expenditure was funded by greater than anticipated revenue.

CITY OF NAPERVILLE, ILLINOIS

Illinois Municipal Retirement Fund
Required Supplementary Information -

Schedule of Funding Progress

April 30, 2003

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) - Entry Age (b)	Unfunded (Assets in excess of) AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
12/31/2002	\$ 78,765,166	77,875,301	(889,865)	101.1%	\$ 40,225,672	0.00%
12/31/2001	78,667,577	69,820,442	(8,847,135)	112.7	37,644,071	0.00
12/31/2000	72,225,482	61,671,059	(10,554,423)	117.1	34,344,783	0.00
12/31/1999	61,820,408	54,093,412	(7,726,996)	114.3	31,721,313	0.00
12/31/1998	53,032,075	50,320,167	(2,711,908)	105.4	30,364,211	0.00

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Police and Firefighters' Pension Plans

Required Supplementary Information –
Schedules of Funding Progress

April 30, 2003

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
Police Pension Plan:						
04/30/2003	\$ 44,259,799	58,678,484	14,418,685	75.4%	\$ 11,281,778	127.8%
04/30/2002	41,706,127	51,477,432	9,771,305	81.0%	10,499,760	93.1%
04/30/2001	39,463,465	45,527,552	6,064,087	86.7%	10,038,933	60.4%
04/30/2000	35,797,567	39,426,598	3,629,031	90.8%	9,423,996	38.5%
04/30/1999	33,252,593	34,566,219	1,313,626	96.2%	8,441,030	15.6%
04/30/1998	30,004,459	31,708,109	1,703,650	94.6%	8,130,332	21.0%
Firefighters' Pension Plan:						
04/30/2003	\$ 44,929,962	56,134,902	11,204,940	80.0%	\$ 11,740,509	95.4%
04/30/2002	41,536,624	49,727,426	8,190,802	83.5%	11,012,804	74.4%
04/30/2001	38,290,630	43,936,657	5,646,027	87.1%	10,569,642	53.4%
04/30/2000	35,082,827	39,315,551	4,232,724	89.2%	9,060,442	46.7%
04/30/1999	31,404,347	35,144,175	3,739,828	89.4%	8,459,471	44.2%
04/30/1998	27,608,913	28,671,683	1,062,770	96.3%	7,949,000	13.4%

Information in this table has been presented for as many years as the information was available.

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Police and Firefighters' Pension Plans

Required Supplementary Information -
Schedules of Employer Contributions

April 30, 2003

Year ended April 30	Police Pension Plan			Firefighters' Pension Plan		
		Annual required contribution	Percentage contributed		Annual required contribution	Percentage contributed
2003	\$	1,534,732	103.9 %	\$	1,784,252	100.7 %
2002		1,321,863	96.7		1,644,529	100.5
2001		1,190,339	101.3		1,383,344	101.9
2000		922,484	100.4		1,313,149	100.3
1999		908,346	100.8		980,888	100.7
1998		820,059	100.4		877,206	100.6

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Police and Firefighters' Pension Plans

Notes to Required Supplementary Information

April 30, 2003

The information presented in the required supplementary schedules for the Police and Firefighters' Pension Plans was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuations follows:

	Police Pension Plan	Firefighters' Pension Plan
Valuation date	April 30, 2003	April 30, 2003
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization period	30	30
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	6.0%	6.0%
*Includes inflation at	3.0%	3.0%
Cost-of-living adjustments	3.0%	3.0%

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MAJOR GOVERNMENTAL FUNDS

General Fund – This fund is the general operating fund of the City. It is to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – to account for the receipt of property taxes and other monies in order to pay principal and interest on bonded indebtedness.

2001A General Obligation Bond Fund – to account for the proceeds of \$20,000,000 to be used for parking facility improvements, sidewalks, street lighting improvements, stormwater improvements, traffic signals, bridge construction, and other public building improvements.

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CITY OF NAPERVILLE, ILLINOIS
General Fund
Detailed Schedule of Revenues – Budget and Actual
Year ended April 30, 2003

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Property taxes:				
General	\$ 12,519,943	12,519,943	12,615,232	95,289
Police Pension	1,271,260	1,280,938	1,280,938	—
Firefighters' Pension	1,644,329	1,656,948	1,656,948	—
Utility tax	13,567,250	13,567,250	14,021,004	453,754
Sales tax	22,349,617	22,349,617	22,429,669	80,052
State income tax	9,524,444	9,524,444	8,349,349	(1,175,095)
Other taxes:				
Auto rental tax	128,544	128,544	101,653	(26,891)
Photo finishing tax	269,924	269,924	59,557	(210,367)
Charitable games tax	3,100	3,100	2,930	(170)
Personal property replacement tax	156,000	156,000	124,914	(31,086)
Real estate transfer tax	4,200,000	4,200,000	4,914,780	714,780
Transient occupancy tax	1,337,635	1,337,635	1,125,372	(212,263)
Total other taxes	6,095,203	6,095,203	6,329,206	234,003
Total taxes	66,972,246	66,994,343	66,682,346	(311,997)
Licenses:				
Liquor	277,000	277,000	279,489	2,489
Business license	120,703	120,703	126,870	6,167
Residential	19,000	19,000	32	(18,968)
Commercial	22,500	22,500	—	(22,500)
Alarm board	69,300	69,300	25,446	(43,854)
Total licenses	\$ 508,503	508,503	431,837	(76,666)
Permits:				
Small permits	\$ 375,000	375,000	269,722	(105,278)
Plan review – inspection storage	3,000	3,000	241	(2,759)
Sale of permit pouches	5,000	5,000	815	(4,185)
Animal	5,675	5,675	4,297	(1,378)
Single family (duplex) fees	428,895	428,895	561,435	132,540
1&2 Fam room addition fees	167,900	167,900	169,116	1,216
Multi family new-fees	125,216	125,216	286,536	161,320
Commercial new fees	95,000	95,000	228,180	133,180
Commercial – simple occup	27,000	27,000	3,648	(23,352)
Commercial alteration	210,000	210,000	290,318	80,318
Demolitions	15,000	15,000	24,548	9,548
Fire alarm/sprinkler	64,800	64,800	87,265	22,465
Total permits	\$ 1,522,486	1,522,486	1,926,121	403,635
Police fines	\$ 2,110,000	2,110,000	2,451,590	341,590
Police – false alarms	90,000	90,000	94,345	4,345
Fire – false alarms	13,000	13,000	9,091	(3,909)
Parking fines	230,000	230,000	250,273	20,273
Violations – city ordinance	4,000	4,000	7,159	3,159
Animal fines	6,000	6,000	6,494	494
Total fines	2,453,000	2,453,000	2,818,952	365,952
Net investment income	1,551,265	1,551,265	3,133,558	1,582,293

CITY OF NAPERVILLE, ILLINOIS
General Fund
Detailed Schedule of Revenues – Budget and Actual
Year ended April 30, 2003

Exhibit C-1, Cont

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
Inter and intragovernmental revenue:				
Community service center	—	35,000	35,000	—
Cops more grant	—	—	17,886	17,886
Universal hiring grant	200,000	200,000	249,061	49,061
Local law enforcement block grant	—	18,427	18,427	—
COPS in school	208,000	208,000	102,853	(105,147)
NPD- bullet proof vest grant	—	—	581	581
IDOT – IMAGE program grant	—	—	34,622	34,622
Police training grant	20,000	20,000	9,244	(10,756)
Firemen training grant	—	45,000	46,497	1,497
FEMA reimbursement	28,700	28,700	24,953	(3,747)
Highway safety	—	—	28,862	28,862
NPD-tabacco grant	—	—	10,937	10,937
Grants from local units	288,000	288,000	217,848	(70,152)
Total inter and intragovernmental revenue	744,700	843,127	796,771	(46,356)
Charges for services:				
P.U.D. filing fees	\$ 32,570	32,570	220,328	187,758
Annexation fees	19,316	19,316	9,520	(9,796)
1-1/2% revenue fees	170,000	170,000	135,813	(34,187)
Nonresident plan review	—	—	72,790	72,790
Plat review fees – easement	—	—	2,625	2,625
Sale of printed material	18,000	18,000	24,587	6,587
Accident reports	23,000	23,000	20,173	(2,827)
Photo lab	2,050	2,050	2,699	649
Police ranging services	1,500	1,500	918	(582)
Meeting room fees	150	150	300	150
Audio/visual equipment fees	300	300	336	36
Clerk fees	9,000	9,000	8,825	(175)
Death and burial	31,086	31,086	33,039	1,953
Other fees	35,000	35,000	33,720	(1,280)
Fire alarm monitoring	—	180,000	261,507	81,507
Sale of compost and soil	200	200	—	(200)
Landscaping reimbursement	207,750	261,150	275,020	13,870
N.F.P.D. – contract	908,809	908,809	908,809	—
DTE-billable service	—	—	13,323	13,323
Elevator inspections	48,600	48,600	46,536	(2,064)
Ambulance fees	535,197	535,197	560,487	25,290
Police services	78,316	78,316	100,323	22,007
Regional community system	300	300	—	(300)
Billable police services	310,480	310,480	218,615	(91,865)
Billable fire services	3,000	26,130	34,095	7,965
Total charges for services	2,434,624	2,691,154	2,984,388	293,234
Other internal service revenues	7,262,927	7,262,927	7,447,408	184,481
Franchise fees:				
Rent income	—	—	225	225
WideOpenWest – cable franchise fee	425,000	425,000	502,057	77,057
WideOpenWest – 1% support fee	95,000	95,000	100,412	5,412
AT&T Broadband – cable franchise fee	380,000	380,000	462,464	82,464
AT&T Broadband – 1% support fee	80,000	80,000	92,493	12,493
Lease revenue	37,800	37,800	30,863	(6,937)
Verizon Wireless	—	—	11,000	11,000
Total franchise fees	\$ 1,017,800	1,017,800	1,199,514	181,714

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Revenues - Budget and Actual

Year ended April 30, 2003

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Miscellaneous:				
Miscellaneous revenues	\$ 10,000	10,000	550	(9,450)
Recovery of bad debt	(30,000)	(30,000)	(241)	29,759
Sale of surplus property	2,000	2,000	1,088	(912)
Late payment charge	25,000	25,000	23,976	(1,024)
Unclaimed property	4,500	4,500	5,462	962
NSF check charge	16,000	16,000	16,564	564
Telephone commission	2,000	2,000	5	(1,995)
Insurance reimbursements	1,000	1,000	(156)	(1,156)
Non refundable bid deposit	5,000	5,000	3,410	(1,590)
Lien fees	800	800	2,242	1,442
Recording fee (waiver)	10,000	10,000	—	(10,000)
Reimbursement	20,000	20,000	50,536	30,536
Damage to city property	31,000	31,000	40,216	9,216
Other miscellaneous	2,000	2,000	121,789	119,789
Total miscellaneous	99,300	99,300	265,441	166,141
Total revenues	\$ 84,566,851	84,943,905	87,686,336	2,742,431

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures - Budget and Actual

Year ended April 30, 2003

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General government:				
Legislative:				
Mayor and City Council:				
Salaries	\$ 140,334	140,153	139,461	692
Employee benefits	109,116	109,218	101,258	7,960
Technical services	3,700	3,700	2,256	1,444
Other professional services	10,000	5,240	3,543	1,697
Other purchased services	94,247	99,707	95,461	4,246
Supplies	12,455	11,180	8,456	2,724
Internal services	34,214	33,090	33,006	84
Total Mayor and City Council	\$ 404,066	402,288	383,441	18,847
Alcohol and Tobacco Commission:				
Professional services	\$ —	2,000	—	2,000
Other purchased services	3,080	530	244	286
Supplies	—	650	—	650
Total Alcohol and Tobacco Commission	\$ 3,080	3,180	244	2,936
Legal:				
Legal Department:				
Salaries	\$ 636,838	600,595	589,354	11,241
Employee benefits	159,288	154,574	151,473	3,101
Technical services	8,532	8,532	3,178	5,354
Professional services	154,697	137,478	32,411	105,067
Purchase property service	50	50	—	50
Other purchased services	12,455	25,430	18,750	6,680
Supplies	20,518	20,650	19,919	731
Internal services	19,950	19,176	19,084	92
Total Legal Department	\$ 1,012,328	966,485	834,169	132,316
Executive:				
City Manager's Office:				
Salaries	\$ 639,956	656,676	650,059	6,617
Employee benefits	175,648	169,390	162,056	7,334
Technical service	—	1,350	1,350	—
Professional services	70,000	59,103	35,687	23,416
Other purchased services	58,772	62,704	59,207	3,497
Supplies	11,536	11,991	11,585	406
Internal services	36,076	34,448	34,448	—
Total City Manager's Office	\$ 991,988	995,662	954,392	41,270
Sister Cities Commission:				
Other purchased services	\$ 14,015	14,015	4,568	9,447
Supplies	1,940	1,940	305	1,635
Total Sister Cities Commission	\$ 15,955	15,955	4,873	11,082
Social Services:				
Salaries	\$ 85,365	67,659	67,614	45
Employee benefits	29,607	29,607	22,675	6,932
Technical services	1,500	1,184	395	789
Other purchased services	4,770	3,885	2,404	1,481
Supplies	10,091	9,910	8,095	1,815
Internal services	7,654	7,241	7,241	—
Total Social Services	\$ 138,987	119,486	108,424	11,062

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures - Budget and Actual

Year ended April 30, 2003

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General government, continued:				
Executive:				
Board of Fire and Police:				
Salaries	\$ 34,193	34,013	34,013	—
Employee benefits	13,796	14,267	14,188	79
Professional services	31,916	31,916	12,461	19,455
Other purchased services	55,280	53,739	30,966	22,773
Supplies	1,150	3,036	2,689	347
Property	636	—	—	—
Internal services	4,304	4,093	4,093	—
Total Board of Fire and Police	\$ 141,275	141,064	98,410	42,654
Community Relations:				
Salaries	\$ 233,231	229,756	228,960	796
Employee benefits	70,984	70,084	62,071	8,013
Technical services	11,500	19,452	8,239	11,213
Professional services	153,457	136,457	75,718	60,739
Purchase property services	9,500	4,500	2,868	1,632
Other purchased services	133,950	131,498	121,830	9,668
Supplies	9,593	23,450	15,577	7,873
Internal services	10,976	10,489	10,489	—
Total Community Relations	\$ 633,191	625,686	525,752	99,934
Special Census:				
Technical service	\$ —	66,720	66,720	—
Total Special Census	\$ —	66,720	66,720	—
Human Resources:				
Salaries	\$ 1,075,506	1,028,222	1,019,109	9,113
Employee benefits	379,536	374,451	351,200	23,251
Technical services	400	775	772	3
Professional services	136,765	130,875	77,202	53,673
Purchase property service	70	70	—	70
Other purchased services	227,140	221,753	151,328	70,425
Supplies	48,339	40,781	29,771	11,010
Property	—	—	—	—
Internal services	40,730	38,615	38,615	—
Total Human Resources	\$ 1,908,486	1,835,542	1,667,997	167,545
City Clerk:				
City Clerk's Office:				
Salaries	\$ 347,283	324,787	316,342	8,445
Employee benefits	105,842	105,842	89,821	16,021
Professional services	19,500	16,059	14,143	1,916
Purchase property service	975	1,121	1,121	—
Other purchased services	51,306	53,322	47,266	6,056
Supplies	11,641	11,308	4,814	6,494
Other services and charges	12,554	12,000	9,351	2,649
Internal services	41,705	39,590	39,590	—
Total City Clerk's Office	\$ 590,806	564,029	522,448	41,581

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures - Budget and Actual

Year ended April 30, 2003

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General government, continued:				
Reproduction Micrographics Service:				
Salaries	\$ 99,606	88,231	84,528	3,703
Employee benefits	12,667	31,614	29,784	1,830
Technical services	25,270	25,270	21,708	3,562
Purchase property service	334,601	294,958	193,897	101,061
Other purchased services	50	50	—	50
Supplies	149,685	107,791	70,309	37,482
Internal services	(89,517)	(89,517)	(89,517)	—
Total Reproduction Micrographics Service	\$ 532,362	458,397	310,709	147,688
Financial Administration:				
Administration:				
Salaries	\$ 331,140	328,169	313,396	14,773
Employee benefits	89,304	101,648	89,820	11,828
Technical services	—	66,000	50,107	15,893
Professional services	66,695	56,348	26,073	30,275
Purchase property service	—	1,597	1,597	—
Other purchased services	32,911	31,861	29,826	2,035
Supplies	3,597	5,297	5,038	259
Property	—	2,350	2,350	—
Internal services	41,655	40,275	40,275	—
Total Administration	\$ 565,302	633,545	558,482	75,063
Finance Administration:				
Billing and Collection:				
Salaries	\$ 758,260	756,224	742,821	13,403
Employee benefits	264,267	264,267	247,248	17,019
Technical service	2,832	2,832	747	2,085
Professional services	233,412	114,801	90,345	24,456
Purchase property service	275	275	275	—
Other purchased services	357,043	328,732	317,981	10,751
Supplies	57,556	52,329	39,113	13,216
Internal services	191,506	180,421	180,421	—
Total Billing and Collection	\$ 1,865,151	1,699,881	1,618,951	80,930
Purchasing Division:				
Salaries	\$ 384,904	376,851	369,036	7,815
Employee benefits	122,902	122,902	113,163	9,739
Technical service	7,500	7,500	—	7,500
Purchase property service	4,700	4,700	4,479	221
Other purchased services	11,689	9,939	4,478	5,461
Supplies	6,701	7,901	5,891	2,010
Internal services	6,125	6,125	6,033	92
Total Purchasing Division	\$ 544,521	535,918	503,080	32,838
Accounting:				
Salaries	\$ 218,289	218,289	216,093	2,196
Employee benefits	60,475	60,475	60,250	225
Professional services	63,700	16,900	11,498	5,402
Other purchased services	2,500	2,800	696	2,104
Supplies	2,871	4,201	3,861	340
Internal services	1,608	1,608	1,608	—
Total Accounting	\$ 349,443	304,273	294,006	10,267

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures - Budget and Actual

Year ended April 30, 2003

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General government, continued:				
Budgeting and CIP:				
Salaries	\$ 288,421	254,126	251,316	2,810
Employee benefits	81,675	69,049	66,137	2,912
Technical services	5,000	1,950	1,950	—
Professional services	—	2,707	—	2,707
Other purchased services	27,266	22,079	17,231	4,848
Supplies	2,271	7,630	7,076	554
Internal services	2,145	2,145	2,145	—
Total Budgeting and CIP	\$ 406,778	359,686	345,855	13,831
Meter Reading:				
Salaries	\$ 148,204	148,204	134,199	14,005
Employee benefits	54,316	53,119	50,138	2,981
Technical services	485,651	470,366	290,291	180,075
Purchase property service	12,027	12,027	11,241	786
Other purchased services	3,923	5,223	3,692	1,531
Supplies	20,950	20,950	3,242	17,708
Internal services	6,632	6,632	6,440	192
Total Meter Reading	\$ 731,703	716,521	499,243	217,278
Total general government	\$ 10,835,422	10,444,318	9,297,196	1,147,122
Physical environment:				
Development Review Team:				
Salaries	\$ 1,243,258	1,302,422	1,261,885	40,537
Employee benefits	322,456	327,855	322,795	5,060
Technical services	54,534	54,534	45,324	9,210
Professional services	387,536	182,288	11,881	170,407
Other purchased services	21,301	21,301	17,947	3,354
Supplies	16,236	15,886	9,809	6,077
Total Development Review Team	\$ 2,045,321	1,904,286	1,669,641	234,645
Special Projects Team:				
Salaries	\$ 620,526	546,942	478,354	68,588
Employee benefits	192,936	178,673	151,581	27,092
Technical services	2,033	2,383	2,326	57
Other purchased services	72,511	59,011	37,876	21,135
Supplies	21,030	17,552	12,265	5,287
Internal services	372,089	353,668	350,384	3,284
Total Special Projects Team	\$ 1,281,125	1,158,229	1,032,786	125,443
Planning:				
Salaries	\$ 657,992	553,712	529,800	23,912
Employee benefits	154,553	136,849	119,406	17,443
Professional services	172,245	172,245	51,999	120,246
Other purchased services	16,432	16,432	6,529	9,903
Supplies	7,647	7,647	3,898	3,749
Total Planning	\$ 1,008,869	886,885	711,632	175,253

CITY OF NAPERVILLE, ILLINOIS

Exhibit C-2, Cont.

General Fund

Detailed Schedule of Expenditures - Budget and Actual

Year ended April 30, 2003

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Physical environment, Continued:				
Public Buildings				
Salaries	\$ 986,707	1,027,339	1,006,115	21,224
Employee benefits	312,004	323,504	315,412	8,092
Technical services	360,580	268,500	223,017	45,483
Professional services	8,455	8,455	3,250	5,205
Purchase property service	524,880	436,720	324,270	112,450
Other purchased services	14,100	13,600	10,419	3,181
Supplies	715,113	803,936	758,454	45,482
Property	14,000	4,000	—	4,000
Internal Service	254,173	254,173	254,173	—
Total Public Buildings Admin.	\$ 3,190,012	3,140,227	2,895,110	245,117
Total physical environment	\$ 7,525,327	7,089,627	6,309,169	780,458
Public safety:				
Police:				
Office of Chief of Police:				
Salaries	\$ 309,658	329,708	327,885	1,823
Employee benefits	272,195	238,992	238,010	982
Supplies	350	350	337	13
Total Office of Chief of Police	\$ 582,203	569,050	566,232	2,818
Administrative services:				
Salaries	\$ 1,466,280	1,362,156	1,298,219	63,937
Employee benefits	366,931	367,258	332,901	34,357
Technical services	123,008	119,037	85,885	33,152
Professional services	56,390	43,240	20,446	22,794
Purchase property service	41,000	76,000	59,563	16,437
Other purchased services	323,115	337,053	274,998	62,055
Supplies	101,405	101,405	92,060	9,345
Property	4,670	4,670	4,670	—
Internal services	2,438,384	2,427,879	2,728,967	(301,088)
Total Administrative services	\$ 4,921,183	4,838,698	4,897,709	(59,011)
Patrol:				
Salaries	\$ 10,160,465	9,849,058	9,809,106	39,952
Employee benefits	1,361,430	1,413,020	1,313,779	99,241
Technical services	3,500	5,715	5,714	1
Professional services	31,310	31,310	26,006	5,304
Purchase property service	28,455	21,620	7,442	14,178
Other purchased services	4,750	2,750	890	1,860
Supplies	238,471	260,898	191,915	68,983
Property	10,023	1,023	833	190
Total Patrol	\$ 11,838,404	11,585,394	11,355,685	229,709
Investigations:				
Salaries	\$ 4,841,407	5,011,269	5,010,761	508
Employee benefits	747,104	760,824	721,094	39,730
Professional services	26,680	27,810	26,632	1,178
Purchase property service	19,755	19,755	4,410	15,345
Other purchased services	43,335	40,335	15,459	24,876
Supplies	94,661	96,530	77,005	19,525
Property	8,678	8,679	8,679	—
Other services and charges	11,000	11,000	11,000	—
Total Investigations	\$ 5,792,620	5,976,202	5,875,040	101,162